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Veritas

A PUBLICATION OF THE TEXAS PUBLIC POLICY FOUNDATION

THE HUMAN COST OF SUBSIDIZING WIND ENERGY

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TEXAS PUBLIC POLICY
FOUNDATION



Veritas

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EXECUTIVE DIRECTOR’S MESSAGE

OUR NATION’S THIRD PRESIDENT, Thomas Jefferson, once remarked “I’m a great believer in luck, and I find the harder I work the more I have of it.” This wry observation holds great truth for our dedicated TPPF team, who always hope for luck, but recognize that, in reality, our victories on your behalf require a lot of hard work.

About six months from now, the 86th Texas Legislature will be called to order, and we are intent on implementing—as delineated in our Texas Prosperity Promise—our agenda for taxes, education, spending, government accountability, and self-governance. At the same time, we continue to march forward taking the Texas Model of freedom and prosperity to the rest of America on issues where we have special expertise.

In this issue of *Veritas* you can read about some of these vital issues not just in terms of facts and figures but with stories that illustrate how high taxes, big government, and overregulation deprive good, hardworking people of liberty and prosperity.

Among its five planks, our Texas Prosperity Promise calls for eliminating onerous property taxes and for school finance reform. In “Abolishing the ‘Robin Hood’ School Property Tax,” our tax and education specialists explain the benefits of holding state spending growth to 4 percent: it will generate savings, allowing those savings to buy down school taxes that would eventually eliminate the Robin Hood Property Tax within 11 years. Then, in the article that follows, you can read about a Fort Worth family who—like so many others—may no longer be able to afford their home because of ever-increasing property taxes.

Also included herein you will find our plan for restoring civics and history education to Texas schools from kindergarten to college—another tenet of our Texas Prosperity Promise. You can also find suggested readings on the topic in a related piece, “How You Can Help Preserve Liberty.”

Even as our policy team has been working to research and advance solutions based on free enterprise, individual liberty, and personal responsibility, our communications team has been focused on illustrating the human side of our cause for freedom. By now, the Foundation has long been recognized as the “go-to” source for explaining the false hope of “green energy.” But in this issue of *Veritas*,

you can learn about a new TPPF video illustrating wind energy’s devastating effect on the good people of Comanche County.



Having played a national role in health care reform, the Foundation has now taken the debate from Congress to the courts. In “TPPF Sues Over Obamacare,” you can learn about a video produced by our communications team, explaining the lawsuit TPPF has joined on behalf of entrepreneur Neill Hurley and others who continue to be negatively affected by the unconstitutional Affordable Care Act.

I also refer you to our Happenings & Updates column for the story of our legal victory in *Orchard Hill Building Company v. United States Corps of Engineers*, a lawsuit on behalf of a small family-owned homebuilder in Tinley Park, Illinois, which is another case of government power run amok. In this column you will also read about our significant success in securing support from among important like-minded groups for the Foundation’s top legislative priorities in the 86th Texas Legislature.

And, lastly, I refer you to the announcement of our 2018 Lone Star Legacy Society \$3 Million Member Challenge. I hope you will consider this opportunity to maximize your life’s legacy for those who will come after you and to help preserve liberty and prosperity through the policy powerhouse that is the Texas Public Policy Foundation.

There is no doubt that the coming months will bring many challenges here in the Lone Star State and in our nation’s capital, yet we are unquestionably positive about our prospects of many victories for liberty and prosperity. For we have the winds of change at our back, you standing by our side, a penchant for hard work, and confidence that just enough of Mr. Jefferson’s luck will come our way.

Yours for Freedom,

Kevin D. Roberts, Ph.D.

Executive Director

Veritas is a publication of the Texas Public Policy Foundation, a 501(c)(3) nonprofit, nonpartisan research institute. The Foundation’s mission is to promote and defend liberty, personal responsibility, and free enterprise in Texas and the nation by educating and affecting policymakers and the Texas public

policy debate with academically sound research and outreach. Our goal is to lead the nation in public policy issues by using Texas as a model for reform.

THE HUMAN COST OF SUBSIDIZING WIND ENERGY



In June, the Texas Public Policy Foundation released a new video highlighting a side of the debate over wind energy that rarely receives any attention—the downside. Like any energy source, wind energy comes with tradeoffs.

For some time TPPF has pointed out the high cost of wind generation, made affordable only on the backs of taxpayers through government subsidies.

Travelers driving or flying westward across the Texas-Oklahoma panhandle and into Colorado are awed by the vast expanse of land filled with 300-plus foot tall wind turbines never realizing the stress, and even harm, these behemoths can cause to wildlife, livestock, and people living nearby.

Earlier this year, TPPF traveled to Comanche County to interview residents who live—or are trying to live—near wind farms there.

“Some people describe it as a jet plane that never lands,” said one resident.

Another added, “For us, if the wind is out of the north, they roar.”

“I’m exhausted,” said another resident. “You stay that way. You don’t rest good at night and you work hard during the day, and that’s strictly because of the turbines.”

Imagine if, as one Comanche resident described, you couldn’t look anywhere in your home without seeing spinning wind turbine blades during the day, and blinking lights at night?

The TPPF video can be viewed on YouTube by searching for “The Human Cost of Subsidizing Wind Energy.” In it you will meet a group of thoughtful and well-informed long-time citizens from Comanche County. As one resident observed, “If the subsidies go away, the wind turbines will go away. The wind towers are not about the wind, they are about the money.”

“Some people describe it as a jet plane that never lands.”

Also in June as a part of our focus on wind power, TPPF released a paper, “Texas Wind Power Story: Part 1—How Subsidies Drive Texas Wind Power Development,” which shows that the growth of the wind industry in Texas is spurred by—and only viable because of—subsidies such as the production tax credit, along with tax breaks at the state and local level.

Both the video and recently released paper are a part of Life: Powered (formerly Fueling Freedom), a project to engage people in conversation and move minds toward the benefits to humanity of fossil fuels.

Additional information can be found at www.texaspolicy.com.



TPPF Wind Energy Project Goes On the Road

Over 100 people from no less than five counties showed up in Comanche, Texas during June to share their stories on living with wind development. At this event, Texas Public Policy Foundation tapped into the frustration that had been building as residents felt increasingly ignored by their local officials and the large corporations moving in next door. Concerns over the reliability of Texas’s electric grid in a renewable-heavy market, the lived impacts of those in the shadow of the wind farm, and the still-rising property tax burden were voiced by locals and corroborated with TPPF research.

The Foundation carried this testimony to Matagorda and Concho counties, where elected officials considered adopting tax abatements to benefit new wind projects. While the testimony from the public and Foundation experts was almost unanimously against, commissioners were forced to choose between immediate local benefits and state policy concerns such as grid reliability and the role of government (i.e., whether or not it should be involved in picking winners and losers). In the face of this, the commissioners court and the hospital district in Concho County approved the tax abatements while the commissioners court in Matagorda County temporarily tabled the abatements to allow for further consideration. The Foundation continues to work in these counties to help make residents aware of these issues.



ABOLISHING THE "ROBIN HOOD" SCHOOL PROPERTY TAX

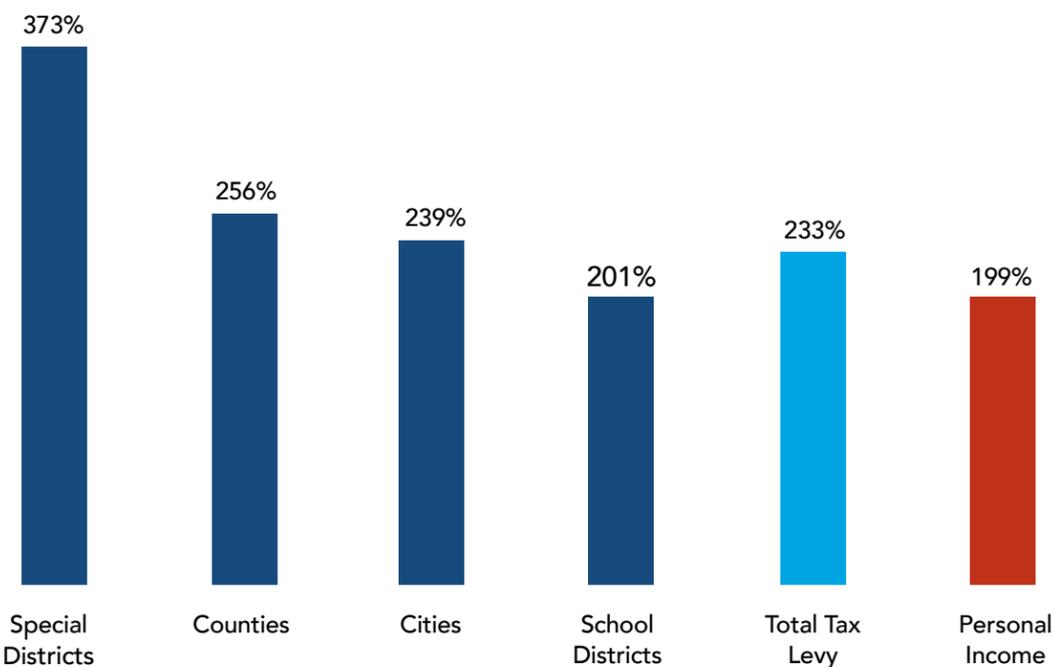
by Kara Belew, Emily Sass, and Bill Peacock

Texas has some of the highest property taxes in the nation. According to the Tax Foundation, Texas had the sixth highest effective property tax rate in 2014. In 2016, local governments—school districts, cities, counties, and special districts—levied more than \$56 billion in property taxes. This translates into \$2,000 on average for every Texan—man, woman, and child. In 10 years, the growth of these taxes far outpaced the growth of Texans' personal income. While the overall property tax levy increased by more than 230 percent between 1996 and 2006, personal income only increased by 199 percent. This has led to a

situation in which Texans risk the loss of their home because of an out-of-control growth of local governments. Such excessive growth of property taxes also discourages investment, job creation, and economic growth in general.

Numerous times the Texas Legislature has explored different options for reducing the property tax burden, but all have come up short. The efforts have focused largely on the school district maintenance and operations (M&O) property tax, which represented 53 percent of the overall property tax burden in 2016.

TEXAS' LOCAL PROPERTY TAXES AND PERSONAL INCOME GROWTH, 1996-2016



Sources: [Comptroller's Office](#) and the [FRED](#)

10-YEAR SCHOOL PROPERTY TAX REPLACEMENT SCENARIO (THOUSANDS OF \$)

	2020-21	2022-23	2024-25	2026-27	2028-29	2030-31
GRR Revenue (10.08% increase)	118,146,662	130,055,845	143,165,475	157,596,555	173,482,287	190,969,302
New GRR Available for State Spending (4% increase)	4,293,120	4,464,844	4,643,438	4,829,176	5,022,343	5,223,236
New GRR Property Tax Replacement Payment	5,872,988	7,287,203	8,348,291	9,476,542	10,724,704	12,109,870
Property Tax Replacement %	11.5%	16.1%	21.9%	31.8%	52.6%	100%
School M&O Property Taxes	45,402,951	38,115,747	29,767,455	20,290,913	9,566,208	0

Note: Data are based on authors' calculations using the state's general revenue-related (GRR) funds and local school districts' maintenance and operations (M&O) property taxes.

The Legislature tried raising the homestead exemption for school district property by \$10,000 in 1997 and again in 2015. These exemptions briefly benefited those property owners with a homestead, yet the overall property tax burden continued to increase.

In 2006, the Legislature tried to reduce property taxes by increasing state funding for education. It increased state revenue to help pay for education by increasing the Texas franchise tax, the motor vehicle sales tax, and taxes on tobacco products. The goal was to use the additional revenue to provide relief to property taxpayers. This solution failed to bring effective, broad-based, and long-term relief too.

More than \$1 billion in school property tax cuts in 2007 were offset by over \$600 million increases in property tax levies from cities, counties, and special districts. So the total property tax levy only declined by a little more than \$400 million in 2007 and then jumped by almost \$5 billion over the next two years, despite the fact that the Legislature sent an additional \$14 billion of taxpayer funds to public schools. The effective result was an increase in both state and local taxes for Texans.

Yet there is a way to eliminate the \$26 billion annual tax bill imposed on Texas through the school M&O property tax: the state can simply reduce the increase of growth in state spending and use the savings to eliminate this tax.

Using the past rate of growth (10.08 percent) of general

revenue-related (GRR) state revenue, we estimate that Texans can eliminate district-level education M&O taxes and cut property taxes almost in half in as little as 11 years. This can be accomplished by restraining state spending growth to 4 percent biennially and using 90 percent of the savings this produces to ratchet down local property tax rates. Under this plan, every dollar not spent by the state or school districts would produce a 90-cent property tax cut for Texans. To ensure that counties, cities, and special districts don't rush to fill the space left by the tax cut, local governments would be required to receive permission from voters to increase property tax revenue by more than 2.5 percent.

Within the 4 percent limit on GRR appropriation growth, the Legislature would be free to appropriate money for any purposes it can legally do so, including education funding. Additionally, if circumstances required for the plan to be adjusted—for example owing to lower-than-expected economic growth, or a natural disaster that would require additional spending—the Legislature could exceed the appropriations limit and/or reduce the property tax replacement surplus by a majority vote of both houses. If the property tax replacement payment was reduced during certain years, the replacement plan would be extended but would continue until full elimination of the M&O property tax.

At the local level, each year school districts would set their M&O tax rate to reduce property tax revenue by the same amount they received from the state's

continued >>

“This property replacement plan is not unprecedented at its core; it simply combines into one package initiatives—reducing the property tax and tax and expenditure limitations—the Legislature has been working on for years and already adopted in some form.”

placement funding. On average, property taxpayers in districts across the state would see the same percent reduction in their taxes, though that might vary from one district to another. At the end, though, every taxpayer’s M&O property tax burden would be identical: zero.

This property replacement plan is not unprecedented at its core; it simply combines into one package initiatives—reducing the property tax and tax and expenditure limitations—the Legislature has been working on

for years and already adopted in some form. The effect of combining these tried and true policies is, though, remarkable. It will reduce property taxes by half and limit the growth of both state and local government. And once the M&O property tax is eliminated, a surplus of approximately \$12 billion will be available to the Legislature to eliminate the margin tax or reduce the sales tax or other taxes. More money left into taxpayers’ pockets means more liberty, a more vibrant economy, and more opportunities for all Texans to prosper. ★



Kara Belew joined the Texas Public Policy Foundation in 2017 as senior education policy advisor, leading the Foundation’s efforts to formulate policies for using taxpayer funds more effectively to improve student outcomes across Texas. As such, she plays an integral role in developing statewide budget policy recommendations. Previously she worked as Deputy Commissioner of Finance at the Texas Education Agency, and managed the State’s \$60 billion per year school finance system. In that capacity, Kara vastly improved the transparency of the state’s school finance system. She was also part of Governor Rick Perry’s administration as an education policy and budget advisor.



Emily Sass is a Policy Analyst with the Texas Public Policy Foundation’s Center for Innovation in Education. Before coming to the Foundation, Emily was Deputy Regional Director for North Texas for Senator Ted Cruz. Previously she worked as staff in the Texas House of Representatives and on multiple campaigns. A trained classical musician and former teacher, Emily holds a Bachelor of Arts in Music from Thomas Edison State University. While in college, she also served on the leadership team for Patriot Academy, a national conference in conservative policy and leadership for high school, college, and graduate students.



Bill Peacock is the vice president of research at the Texas Public Policy Foundation. He has been with the Foundation since February 2005. Bill directs the research of the Foundation to ensure its accuracy, integrity, and application of free-market principles to the issues facing Texas and the nation. His own research focuses on economic freedom and growth, property rights, civil justice, and regulatory issues. Bill has extensive experience in Texas government and policy on a variety of issues, including economic and regulatory policy, natural resources, public finance, and public education. His work has focused on identifying and reducing the harmful effects of regulations on the economy, businesses, and consumers.



A recent *Fort Worth Star-Telegram* article told the story of the Hallfords, whose property taxes have risen \$1,200 in just five years.

“Their four-bedroom home with a swimming pool in the Arbors of Creekwood neighborhood was valued at \$295,106 in 2017, up from \$226,000 in 2013,” the *Star-Telegram* reports. “And the value is expected to be even higher when Tarrant County tax rolls are certified later this year. Although it’s nice to own property that increases in value, the Hallfords are worried about how much of their monthly income goes toward property taxes. Like many Texans, they would like to know why many area property tax bills have spiked 40 percent or more since 2010 while the area’s population growth is closer to 15 percent.”



“By taxing wealth and forcing people to ‘rent’ their own property forever, property taxes are an antiquated form of taxation that should be abolished in favor of a more economically sound sales tax.”

“By taxing wealth and forcing people to ‘rent’ their own property forever, property taxes are an antiquated form of taxation that should be abolished in favor of a more economically sound sales tax,” says TPPF’s Vance Ginn. “A good place to start is effectively limiting state and local government spending and then using state revenue to eliminate school maintenance and operations property taxes so Texans can have more prosperity and freedom.” ★



COMBATING OUR GROWING CIVIC ILLITERACY

by Thomas K. Lindsay, Ph.D.

Does American democracy depend on education? Thomas Jefferson thought so. The author of the Declaration of Independence, wrote: “If a nation expects to be ignorant and free ... it expects what never was and never will be.”

But this insight is being lost. Beginning in the 1960s, required courses constituting a “Core Curriculum” of studies in American history and government, economics, and the history of Western civilization were attacked as irrelevant to present concerns. There followed a withering away of such requirements. Forty years later, a study by the American Council of Trustees and Alumni (ACTA) found that Core Curriculum requirements have not been reinstated in the overwhelming majority of our universities.

In 2007, the Intercollegiate Studies Institute (ISI) issued a study that found Texas undergraduates fail at civics. Nationwide, 50 universities were surveyed, three of them in Texas—Baylor University, West Texas A&M, and the University of Texas at Austin. Nearly 1,000 Texas freshmen and senior students were tested in American history and institutions. Texas students at these schools performed worse than their peers nationwide. More troubling, the survey found that only 2.9 percent of students’ civic knowledge is learned in the college classroom. Texas’ comparative deficiency

in knowledge of civics may be explained by another of the study’s findings: undergraduates at these three Texas universities were below the national average in the number of history, government, and economics courses taken during college.

Another dilemma facing higher education—the ongoing assault on campus free speech—both feeds on and fosters our civic illiteracy. The nonpartisan think tank, the Foundation for Individual Rights in Education (FIRE), has published its latest report on academic freedom “Spotlight on Speech Codes 2018.” Its most salient findings are: (1) Just under one-third (32.3 percent) of surveyed institutions received FIRE’s lowest, red light rating for maintaining speech codes that clearly and substantially restrict freedom of speech. (2) Most institutions—58.6 percent—received a yellow light rating. Yellow light policies restrict narrower categories of speech than red light policies do, or are vaguely worded in a way that could too easily be used to suppress protected speech, and are unconstitutional at public universities. (3) Fully 30 percent of institutions maintain some form of bias response team, specifically tasked with identifying “bias” and “hate speech” on campus. These teams can rely on students anonymously reporting other students for speech which, though subjectively seen as “offensive,” is often fully protected speech.



“If a nation expects to be ignorant and free... it expects what never was and never will be.”

The decline in teaching civics has played no small part in the free-speech crisis. In March 2018, Gallup/Knight surveyed over 3,000 college students. The results are frightening: 61 percent of students find that their school prevents some students and faculty from openly declaring their views because others might deem them “offensive.”

Clearly, Texas is not alone in this crisis. In 2000, ACTA commissioned a survey of seniors from the nation’s 55 best universities. Titled “Losing America’s Memory,” the survey found that 81 percent of seniors “received a grade of D or F on test questions drawn from a basic high school history curriculum.”

What is an “Education for Informed Citizenship”?

If we fail to restore to our universities the civic-education function with which they have been entrusted, in short order we shall lose the capacity for self-government on which individual liberty and limited government depend. Moreover, so long as civic education is ignored at the collegiate level, we can expect the same neglect at the K-12 level. After all, our K-12 instructors receive their teacher training at colleges and universities.

In attempting this restoration, we should remember that is not accidental that the word “liberal” in “liberal education” has the same root as the word “liberty.” Liberal education is an education for and through liberty. The highest liberty of which human beings are capable is the liberty of the mind—that is, consider freedom from unexamined assumptions; for example, swings in intellectual fashion, partisan politics, and ideology. Liberty at its peak is identical with the quest for truth. Moreover, it is to support truth-seeking, through democratic dialogue, that we have the First Amendment.

In this light, our universities should come to recognize that the intellectual liberty they pursue depends on their being situated in a system of political liberty, as enshrined in the Constitution. This dependence should lead them to require all their students, regardless of major, to study comprehensively the principled foundations of American democracy, beginning with the Declaration of Independence, the U.S. Constitution, and The Federalist Papers—as well as the other sources that both informed the Founding and reacted to it.

Without such study, how will today’s students become tomorrow’s leaders? We the People cannot defend what we do not understand.

Educating the Educators

To strengthen civic education, university regents and other administrators should be encouraged to institute reforms that place more focus on teaching students the moral, political, and philosophic principles on which American democracy rests—and on which its continued preservation depends.

The Foundation has been urging this course on universities for some time. But the crisis of civic illiteracy has grown so dire that we are no longer waiting on them! Instead, we are taking on the task of teaching high school civics teachers. In 2019, the Foundation will launch its Summer Institute for High School Civics Teachers. Here are the details on our project at this date:

The deadline for applications to the Summer Institute will be February 2019. Principals and/or department chairs from schools around Texas will be contacted this September and asked to nominate two civics/social studies/government teachers for the Summer Institute Fellowship. continued >>



Texas K-12 teachers are required to take 150 professional development hours every five years, which many teachers accomplish through taking 30 hours every summer, adding up to the needed 150 hours by the end of five years. Therefore, the Summer Institute class will provide 30 hours of professional development during the one-week (Mon.-Fri.) period of Institute classes next summer.

Institute Fellows will be reimbursed for their travel to and from Austin; they will be housed by the Foundation during the week of class; meals will be provided. Each fellow will receive a \$500 stipend upon completion of the course. If any fellow completes a lesson plan deemed suitable for addition to the Foundation's civic education packet of materials, that fellow will receive an additional \$250.

Each school whose applicant wins a fellowship will sign an agreement with the Foundation stipulating that the school will pilot one civics/government/social studies course in the following academic year, employing the syllabus and reading materials provided at the Institute, and taught by the trained Institute Fellow. The school will further agree to test the pilot class against the school's other traditional civics/government/social studies courses taught that year through administering the USCIS citizenship test. The Foundation will provide funding to cover the department's expenses for administering the test. In the application, schools will list the amount needed to administer the test.

The Foundation's hypothesis is that the students in the pilot classes using its curriculum—which focuses on the moral, political, and intellectual foundations of American democracy—will score significantly higher on the USCIS test than their traditionally taught peers.

This last point—using the USCIS test to measure civic knowledge—forms the second prong of the Foundation's efforts to restore civic education. At this writing, 16 states have passed laws requiring passage of the USCIS test for high-school graduation. The Foundation will be supporting likeminded legislation in the 2019 session of the Texas Legislature.

Should this legislative goal be realized, it will buttress the case for the Foundation's civic-education curriculum. If, as we expect, "Foundation-curriculum" students fare better on the USCIS test than others, this will build momentum for subsequent legislation requiring our curriculum for all Texas K-12 students.

In pursuing this last objective, the Foundation will simultaneously embark on the third and final prong of its war on civic illiteracy—promoting our ideas with the Texas State Board of Education (SBOE). When a critical mass of test-based evidence is compiled that proves the superiority of the Foundation's curriculum, we will leverage this evidence to encourage SBOE to revise its K-12 curriculum guidelines to require the foundational approach to civic education championed by the Foundation. ★



Thomas K. Lindsay, Ph.D., is director of the Foundation's Center for Innovation in Education and senior constitutional scholar. He has more than two decades' experience in education management and instruction, including service as a dean, provost, and college president. In 2005, Tom joined the National Endowment for the Humanities (NEH) staff as director of the agency's signature initiative, *We the People*, which supports teaching and scholarship in American history and culture. He was named Deputy Chairman and Chief Operating Officer of the NEH in 2007. After receiving his B.A., *summa cum laude*, in Political Science, Tom went on to earn his M.A. and Ph.D. in Political Science from the University of Chicago. Oxford University Press recently published Lindsay's American Government college textbook, *Investigating American Democracy* (with Gary Glenn).

HOW YOU CAN PRESERVE LIBERTY

FOUNDING FATHER SAMUEL ADAMS observed, "If Virtue and Knowledge are diffused among the People, they will never be enslav'd. This will be their great Security." Were he alive today, Adams surely would be worried about the future of the country he helped birth.

For nearly two generations civics education has been comparatively absent from public school and university curricula. As a result, we are now witnessing a surge in the number of Americans—especially young Americans—who appear willing to trade our Constitutionally-protected individual liberties and abandon the virtue of personal responsibility for reliance upon—even enslavement to—government.

According to the latest Gallup-Knight Foundation survey of college students, a majority (53%) chose the promotion of diversity and inclusion over the First Amendment. Even more (64%) believed that hate speech should not be protected by the First Amendment. Shockingly, a large portion (30%) of students agreed that colleges should be allowed to restrict the expression of political viewpoints that are upsetting or offensive to certain groups, an 11% increase from 2016 to 2017.

Anyone with even a rudimentary understanding of the Constitution and United States history understands that the First Amendment is a pillar upon which our remarkable country was founded. The fault for this ignorance falls less at the feet of young people and more on the adults who teach them.

So what are we defenders of liberty to do?

As described by Dr. Tom Lindsay in "Combating Our Growing Civic Illiteracy," TPPF is offering specific solutions to Legislators who will serve in next year's 86th legislative session. The Foundation is also instituting its own teacher training program.

"If Virtue and Knowledge are diffused among the People, they will never be enslav'd. This will be their great Security."

In addition, each and every reader of *Veritas* can help educate family members, friends, or colleagues who are open to expanding their civic and history horizons. Dr. Lindsay recommends the books listed below to help explain the current situation and stimulate the kind of thought that can motivate new learning.

- *The Abolition of Man* by C.S. Lewis. Subtitled "Reflections on education with special reference to the teaching of English in the upper forms of schools", C.S. Lewis explores the intrinsic value of education. He particularly defends natural law and objective values and argues that danger arises when we use science to undermine these ideas.
- *The Closing of the American Mind* by Allan Bloom. In this 1980's best-selling classic, Bloom explains how higher education has failed our children and how this failure threatens democracy. Like Lewis, Bloom warns against moral relativism and argues that its implementation in universities leads to unfulfilled students.

The problem of civic illiteracy is serious but can be reversed if freedom loving people join together focused on helping their fellow Americans understand how humans have prospered and flourished under the enduring truth of individual liberty, free markets, and personal responsibility guaranteed by our democratic republican form of government. ★

TPPF SUES OVER OBAMACARE

by Robert K. Henneke

NEILL'S OBAMACARE PREMIUM SHOT UP BY 75% IN JUST TWO YEARS
AND HIS FAMILY DEDUCTIBLE REACHED \$12,000.

In late Spring, the Texas Public Policy Foundation—on behalf of individual Texans burdened by Obamacare—joined the Texas-led, 20 state lawsuit challenging the constitutionality of the Affordable Care Act as amended by the Tax Cuts and Jobs Act of 2017.

Subsequently, the Trump Administration filed a brief agreeing, in part, with our lawsuit. In the Department of Justice's response, the federal government agreed that "Plaintiffs have demonstrated a substantial likelihood of success on the merits." The DOJ specifically quotes TPPF's clients as proof of adequate injury from the challenged provisions.

In the lawsuit, TPPF represents Neill Hurley, who wishes to be able to purchase health insurance coverage for his family in a competitive market that meets their needs, is affordable, and enables them to receive health care from their preferred providers. Yet, even after the elimination of the individual mandate penalty, Hurley and his family remain subject to the mandate and other regulatory burdens of the ACA. You can watch Hurley tell his story in a TPPF-produced video at www.texaspolicy.com/ACA.

"We want to make sure our kids' health is taken care of," Hurley, a Houston-area entrepreneur and tech consultant, told TPPF. "But with the high deductibles we have with the ACA, we're making the kinds of decisions we didn't have to make before. When one of my sons has a sniffle, we have to decide whether to pay out of pocket to see a doctor, or try to wait it out. I'm fine making that kind of decision for myself, but when it's your kid, it's different."

While ObamaCare may not be in the news right now, it's still affecting lives and liberty throughout the na-

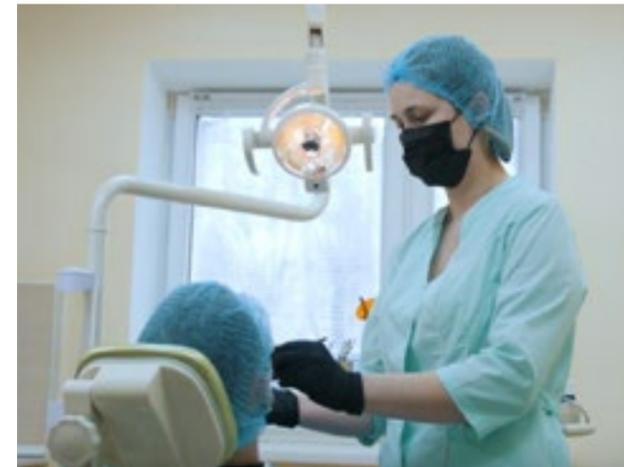


Entrepreneur and tech consultant Neill Hurley.

tion. That's why the Texas Public Policy Foundation is representing Hurley and his family, among others in the courts.

Although Congress set the ACA's individual mandate penalty for not purchasing a government-approved policy at zero, it did not repeal the law. The law remains a regulatory behemoth, changing the relationship between individuals and their government, and thereby changing the entire U.S. economy. Still, the linchpin of the ACA remains that individual mandate. According to Congress itself, the ACA's provisions do not function rationally without the individual mandate. Congress found this requirement to be "essential to creating effective health insurance markets," and that absence of the individual mandate "requirements would undercut Federal regulation of the health insurance market."

The U.S. Supreme Court's ruling upholding the ACA as constitutional relied upon the individual mandate. The court decided that the individual mandate penalty is a tax, because it generates revenue for the federal government.



TPPF agrees that since the passage of the Tax Cuts and Jobs Act, which set the penalty at zero, it does not generate revenue—so it is no longer a tax.

Because Congress has not yet been able to resolve the problems within our health care system through legislation, you'll continue to see states, and groups like TPPF, and individuals like Neill Hurley step up and lead.

"We have a solid chance of winning this fight," declared Rob Henneke, TPPF general counsel and director of the Foundation's Center for the American Future.

It is also appropriate that this effort is being led at the state and individual level. The goal is not to change



The Honorable Robert Henneke is the General Counsel and Director of the Center for the American Future at the Texas Public Policy Foundation. Before joining the Foundation, he served as the twice-elected Kerr County Attorney where he brought conservative values to county government. Robert began his legal career serving as an Assistant Attorney General in the General Litigation division under the leadership of Texas Attorney General Greg Abbott. He is a member of the State Bar of Texas and is admitted to practice before the U.S. Supreme Court, the Fifth Circuit Court of Appeals, the Seventh Circuit Court of Appeals, and the Federal District Courts in the Eastern, Western, Northern and Southern Districts of Texas. Robert received his law degree from the University of Texas School of Law and earned his undergraduate degree in English Literature from Georgetown University.

how the federal government controls health care, it is to take the federal government out of the equation. For families like Hurley's, it means the ability to take control of their own health care again.

"We were all told that health care would be cheaper and more accessible for everyone. I can say that's not the case for us."

"With the ACA, we lost the ability to see the doctors we want to see," Hurley said. "My wife and I ended up having to find new primary care physicians, and every specialist. My wife's new doctor is much farther away, and we found that he only sees two or three patients a week, so it's been difficult for her to get it. We were all told that health care would be cheaper and more accessible for everyone. I can say that's not the case for us."

That's why TPPF and others are challenging the ACA again—because families are still suffering from its effects.

To learn more about Hurley's experience, check out the TPPF video at www.texaspolicy.com/ACA.

BUILDING A LEGACY FOR THE FUTURE: ANNIE BUECHELE PATI

Annie Pati was raised in Minneapolis, Minnesota with two older brothers by intellectual parents who were globally and politically involved. Life revolved around family, faith, learning, and giving, with lively issue and policy debates dominating the dinner table.

While a long-time Texan, she still speaks with a soft Minnesota accent. Annie describes her parents as great role models. “Dad was civically active, while Mom very spiritual. Money was tight,” she says, “but my parents sacrificed to send us to parochial schools for a good education.”

Within a few years of receiving her BS in physical therapy from the University of Minnesota, Annie moved to the Pacific to work at a church hospital. While there she obtained an Education certification from the University of Guam, taught school, worked with Youth for Christ and met her future husband in the South Pacific islands.

The desire to raise a family in the freedom and opportunity of America prompted their return to the USA. Over the years, her ‘family’ became the thousands of infants, children (and adults) who were her patients throughout her career in physical therapy. Annie obtained an Advanced Master’s Degree in physical therapy from Texas Woman’s University-Houston and worked in research, Performance Improvement, and teaching at Baylor as well. As side lines, she taught personal fitness, Pilates, and cognitive behavioral/performance therapy.

In the 2008 election, Annie was prompted by some questionable activity at the poll to assume the vacant Republican Precinct Chair position (in a very Democrat precinct). Over time, she realized politics only goes so far. Drawing on her religious roots, and believing God the author of truth, liberty, and true freedom, she began volunteering with the Salvation Army teaching faith and fun to children and, now in post-retirement, to adults as well.

Now at Sally’s House, Annie works with women recovering from addiction, incarceration, and/or homelessness. She teaches cognitive behavioral therapy, designed to change thinking patterns leading to behavior that undermine people’s lives.

She discovered the Texas Public Policy Foundation in 2012 when Kathleen Hartnett White, then-Director of the TPPF Armstrong Center for Energy and the Environment, spoke in Houston. “I was impressed with her knowledge,” said Annie.

A cancer survivor, Annie believes that every day is special. She is a practical woman from modest means who worked hard and God has blessed her. “I realize that talented people at TPPF share my values of truth, faith, and freedom. They are doing work I believe in—work I want continued after I’m gone,” asserts Annie. “My question to anyone thinking about such things is, ‘What do you stand for, and how best can you leave a legacy that supports it?’” ★



ANNOUNCING THE 2018 LONE STAR LEGACY SOCIETY \$3 MILLION MEMBER CHALLENGE

“The price of liberty is eternal vigilance.”

Attributed to many of America’s early leaders, this expression remains a truth to all who cherish the values upon which this great nation was founded.

But many are worried about the future. Will anyone continue to safeguard liberty when you are gone? Will future generations continue to speak of freedom and rally to its defense? Will your grandchildren be equally dedicated to America’s founding principles?

The Lone Star Legacy Society was created to help you preserve liberty and advance freedom in perpetuity by ensuring that the Texas Public Policy Foundation remains a permanent voice within Texas and throughout our nation.

We are honored to announce the 2018 Lone Star Legacy Society Member Challenge: a call by Dr. Jim Speights and an anonymous couple to join them as legacy donors by matching their \$3 million commitment.



Lone Star Legacy Society members employ a long-term approach to philanthropy based on their traditional values, while simultaneously avoiding unnecessary taxes, potentially increasing spendable lifetime income, and preserving liberty for generations to come.

Will you help us meet the \$3 million member challenge by pledging your commitment to join the Lone Star Legacy Society by December 31, 2018?

When you do, you will receive a beautiful Lone Star Legacy Society membership lapel pin, which you can wear proudly to publicly proclaim that Texas and our freedoms are worth fighting for!

For more information or to have a private conversation about legacy giving, please contact Shari Hanrahan at (512) 627-9831.

OTHER WAYS TO GIVE:



Monthly Giving

Want to give conveniently and throughout the year? Then, consider enrolling as a monthly donor.

Contact Trisha Dunbar, Director of Donor Communications, if you have questions or need information at tdunbar@texaspolicy.com or (512) 472-2700.



The Texas Prosperity Promise

Securing the Texas Future for the Next Generation

Texas has long been the beacon of liberty, prosperity, and innovation for America—and for the world. To ensure the flourishing of Texans during the next quarter-century, we must work now for bold policy reforms that embody the Texas ideal.

On Taxes

A broad-based efficient tax system promotes economic prosperity, job growth, and fiscal discipline. Reforms that lower taxes and empower individual responsibility can improve the lives of all Texans. To ensure greater prosperity, I promise to support:

Eliminating Onerous Property Taxes: Ensure that Texans can own their own home rather than pay rent to the state forever by eliminating burdensome property taxes—and then offsetting them with state revenue.

On Education

A good education is the lifeblood of the American Dream. For too long in Texas, perpetuating “the system” has been a higher priority than what’s best for our children. Texas parents and students deserve the freedom to make their own choices about how to get the best education possible. To ensure greater prosperity and the flourishing that comes from an excellent education, I promise to support:

School Finance Reform and Educational Opportunity: Set education free in Texas with three major reforms: (1) replace the state’s complex school finance scheme with a more transparent, child-centered system; (2) expand education choice in Texas, empowering parents—not a bureaucracy—to determine the best opportunities for their children; and (3) eliminate burdensome mandates that prohibit school leaders and teachers from innovating, thereby hampering student success.

On Spending

Government should spend taxpayer money wisely, operate within its means, and foster prosperity by limiting spending growth. Responsible budgeting will make Texas stronger for generations to come by enhancing liberty and making our government more fiscally solvent. To ensure greater prosperity, I promise to support:

Adopting a Conservative Texas Budget for State and Local Governments: Both the Texas Legislature and local governments should enact a Conservative Texas Budget that limits spending increases to less than population growth plus inflation, which will sustain the economic prosperity in Texas that is tied to our state’s fiscal discipline.

On Accountability

Limited and accountable government is a key component to ensuring individual prosperity. Texans flourish when elected representatives work for the people’s interest and respect the rule of law. To ensure greater prosperity and increased transparency in government, I promise to support:

Ending Tax-Funded Lobbying and Government Collection of Union Dues: Ensure that taxpayers do not fund special interests in Austin by ending government funding of lobbyists—and the equally troublesome practice of government collecting union dues for public employees.

On Self-Governance

If we fail to restore civics education within society we shall lose the capacity for self-government on which life, liberty, and the pursuit of happiness ultimately depend. Protecting these critical principles requires an understanding of the history and the documents that provide the justification for our very existence as an independent nation. All universities should require of all their students to study the principled foundations of American democracy, beginning with the Founding documents—the Declaration of Independence, the U.S. Constitution, and The Federalist—as well as the other sources that both informed the Founding and reacted to it. To ensure our capacity for self-government, I promise to support:

Prioritizing American History and Civics Education for All Texans: The Texas Legislature should restore the true intent of existing law that requires, in universities and K-12 schools, the teaching of American history and government, not the weak substitute courses that have become commonplace; the Legislature should also focus on strengthening civics education in every Texas secondary school. Similarly, the State Board of Education and university regents should reform our history and civics curriculum to ensure students learn basic American history, government, economics, and Western civilization.

To achieve prosperity for all Texans, I promise to demand that government policies foster high-quality education, fair taxation, responsible spending, self-governance, and accountability. ★



Happenings & UPDATES

TPPF’s Center for the American Future Wins!

TPPF’s Center for the American Future (CAF) scored a victory in the United States Court of Appeals for the Seventh Circuit in the case of *Orchard Hill Building Company v. United States Corps of Engineers*. CAF attorneys represented Orchard Hill Building Company, a small, family-owned homebuilder against the efforts of the Corps of Engineers to regulate 13 acres of dry land in Tinley Park, Illinois, as “waters of the United States.” By asserting jurisdiction under the federal Clean Water Act over the 13 acres, the Corps sought to restrict Orchard Hill from building detached, single family homes in a residential neighborhood surrounded on all sides by residential developments. In asserting jurisdiction, the federal government acted as though it were a local land use planning commission. Based on CAF’s arguments, the unanimous court determined that the government exceeded its authority. CAF represented Orchard Hill pro bono as part of its continuing efforts to limit the powers of big government.

Winning Support for the Texas Prosperity Promise

In mid-June, TPPF engaged with a coalition of three other groups to ensure that free-market, limited-government ideas were incorporated into the 2018 Republican Party of Texas platform.

For a 10-day period, we had policy experts available as resources during the dominant Texas party’s legislative priorities and platform committee processes, equipped our legislative and grassroots champions to make the case for conservative policies during the testimony and floor debate, and educated delegates on concrete policies that addressed their fundamental concerns. The results?

- Of TPPF’s 25 priority items, 17 are included in the 2018 Republican Party of Texas platform.
- Of the 15 items our coalition promoted during the convention, 13 are included in the state platform. Specifically, the TPPF solution for public pension reform was included simply because our policy expert was in the room when a subcommittee member expressed interest.
- The entire Texas Prosperity Promise was included in the party’s platform, but our solutions on property tax reform and ending tax-funded lobbying were designated as “legislative priorities,” which means the state party will commit significant resources and political capital to promote our solutions during next year’s legislative session.



EP 20 THE CRUELTY OF WELFARE - FEAT. GROVER NORQUIST
Dr. Kevin Roberts hosts President of Americans for Tax Reform Grover Norquist to discuss ATR’s history of success, Reagan’s legacy of conservatism, and further tax reform to help America prosper.

EP 18 HOW TO RUN A CITY: INTERVIEW WITH COUNCIL MEMBER ELLEN TROXCLAIR

Dr. Kevin Roberts hosts Austin City Councilwoman Ellen Troxclair to discuss Austin’s biggest challenges including cost of living and the homeless population. She shares her solutions from an insider perspective and how residents can help preserve the best parts of Austin living.

EP 17 ERIK ERICKSON: CAN CONSERVATIVES WIN THE CULTURE WAR?

Dr. Kevin Roberts hosts renown politically conservative American blogger and radio host Erick Erickson to discuss how conservatives still win and can win the culture war by going back to our foundation.

You can find the latest episodes of *The Foundation Podcast* at www.texaspolicy.com/podcast. It is also available on iTunes, Google Play, Pocket Casts, and Stitcher.



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*Our Visionaries Meeting offers special programming for Visionary-level donors. For information on sponsorship opportunities or Visionaries membership, contact Annie Casteel at (512) 615-7982 or acasteel@texaspolicy.com.